

**FIRST AMENDMENT**  
**to**  
**TRANSPORTATION SERVICE AGREEMENT FOR**  
**OPERATION OF SCHOOL BUS ROUTES WITHIN**  
**COUNTY SERVICE AREA T-1**

This FIRST AMENDMENT TO TRANSPORTATION SERVICE AGREEMENT FOR OPERATION OF SCHOOL BUS ROUTES WITHIN COUNTY SERVICE AREA T-1 is entered into effective this 19th day of December, 2016, by and between the MEASURE J TRAFFIC CONGESTION RELIEF AGENCY, dba TRAFFIX (the “Agency”), a joint exercise of powers entity created, existing, and in good standing under California Government Code section 6500, *et seq.*, and the COUNTY OF CONTRA COSTA (“County”), a political subdivision of the State of California.

**RECITALS**

A. In 2008, the County, the City of San Ramon (City), the Town of Danville (Town), and the San Ramon Valley Unified School District (School District), entered into an agreement entitled, “Joint Exercise of Powers Agreement to Implement the San Ramon Valley School Bus Program.” That agreement created the Agency, and authorized it to oversee implementation of a school bus program within the City, Town, and parts of the unincorporated area of the County (“Agency’s Bus Program”). The purpose of the Agency’s Bus Program is to reduce traffic congestion in the San Ramon Valley area by busing elementary, middle, and high school students to their respective schools within the School District.

B. To reduce traffic congestion in and around the County Service Area T-1 (the “Service Area”), consisting of two developments—Alamo Creek, and Monterosso—located on the south side of Camino Tassajara, between Hansen Lane and Finley Road, and east of the Town of Danville in unincorporated County, the County and the Agency entered into a Transportation Service Agreement, effective February 11, 2014 (“Agreement”), to fund one school bus route (“First School Bus Route”) within the Service Area. The Service Area is more particularly described in Exhibit A to the Agreement. Since being established, the First School Bus Route has served students who attend the high school designated for students residing within the Service Area.

C. The Agency desires to expand the Agency's Bus Program by adding a second school bus ("Second School Bus Route"), for a total of two school bus routes (together the "School Bus Routes") to serve students living within the Service Area.

D. The Agency and County desire to partially fund the Second School Bus Route with assessment revenue that the County collects from within the Service Area. The Agency sells annual passes for students that use its School Bus Routes. The Agency's revenue collected from the sale of annual passes will be deducted from the Agency's costs to operate the School Bus Routes before calculating the amount of operational costs that will be paid by the County.

E. The Parties acknowledge that the Agency continues to contract with a bus operator, currently First Student, Inc., to provide bus services for Agency's Bus Program under a contract that is valid through July 31, 2018 (the "Bussing Contract"). The Bussing Contract contains the base rate per day that the Agency pays its contractor.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties, the parties agree to amend the Agreement as follows:

**1. Second School Bus Route.** Beginning on February 21, 2017, and continuing thereafter, the Agency shall contract with its bus operator to provide a second School Bus Route to serve students living within the Service Area. Except as expressly set forth herein, as of the effective date of this Amendment every reference to "School Bus Route" in the Agreement shall mean both the School Bus Route established under the Agreement and the second School Bus Route established under this Amendment. Except as modified by this Amendment, as of the effective date of this Amendment, every obligation with respect to the School Bus Route established under the Agreement shall apply both to that School Bus Route, and to the second School Bus Route established under this Amendment.

**2. Invoicing for Payment.** Section 3 of the Agreement ("Invoicing and Payment") is hereby deleted in its entirety and replaced with new Section 3, to read:

3. Invoicing and Payment. The Agency shall submit an invoice to the County on each of the following dates: July 1 immediately prior to the beginning of each School District academic year and January 1 during each School District academic year (each an "Invoice Date"). For the Second School Bus Route in Academic Year 2016-2017 only, the Agency shall submit an additional invoice to the County on March 1, 2017, in accordance with Section 3.c. (also an "Invoice

Date”). The invoices the Agency submits to the County must include the information specified below.

a. *July 1 Invoice.* The invoice submitted on each July 1 shall include:

- (i) The Agency’s anticipated costs to operate the School Bus Route during School District’s upcoming academic year from July 1 immediately prior to the beginning of the academic year through the June 30 immediately following the conclusion of the academic year (the “Projected Annual Operational Costs”). To calculate the Projected Annual Operational Costs, the Agency shall multiply the base rate per day that the Agency will pay its contractor under the Bussing Contract by the number of School District instructional days that will occur during the upcoming academic year. The number of instructional days shall be determined by the School District’s academic calendar.
- (ii) Both (A) the Projected Annual Operational Costs that the Agency included in the invoice that it submitted to the County on July 1 of the immediately preceding year, and (B) on the July 1, 2017 invoice only, the Second Bus Projected 2016-2017 Operational Costs included in the March 1, 2017 invoice (together, the “Prior Year Projected Annual Operational Costs”).
- (iii) The Agency’s actual costs to operate the School Bus Route from July 1 of the previous academic year through June 30 of the same academic year (the “Prior Year Actual Operational Costs”). To calculate the Prior Year Actual Operational Costs, the Agency shall multiply the base rate per day that the Agency paid its contractor under the Bussing Contract by the number of School District instructional days that occurred during the immediately preceding academic year. The number of instructional days shall be determined by the School District’s academic calendar.
- (iv) The amount of revenue collected by the Agency from the sale of annual School Bus Route passes that occurred from January 1 through June 30 immediately preceding the Invoice Date (“Spring Pass Sale Revenue”).

- b. *January 1 Invoice.* The invoice submitted on each January 1 shall include the amount of revenue collected by the Agency from the sale of annual School Bus Route passes from July 1 immediately prior to the beginning of the academic year through December 31 immediately preceding the Invoice Date (“Fall Pass Sale Revenue”).
- c. *March 1, 2017 Invoice for the Second School Bus Route in Academic Year 2016-2017 Only.* The invoice submitted on March 1, 2017, shall include the Agency’s projected operational costs to operate the Second School Bus Route from February 21, 2017, through June 30, 2017 (the “Second Bus Projected 2016-2017 Operational Costs”). To calculate the Second Bus Projected 2016-2017 Operational Costs, the Agency shall multiply the base rate per day that the Agency will pay its contractor under the Bussing Contract by the number of School District instructional days that will occur during the 2016-2017 Academic Year. The number of instructional days shall be determined by the School District’s academic calendar.

**3. County’s Payments to Agency.** Section 4 of the Agreement (“County’s Payments to Agency”) is hereby deleted in its entirety and replaced with new Section 4 to read:

- 4. County’s Payments to Agency. Within 60 days after the receipt of each invoice submitted by the Agency, the County shall pay the Agency as follows:
  - a. *Payment on July 1 Invoice.* The County shall pay the Agency one-half of the Projected Annual Operational Costs reported on the July 1 invoice, minus (1) the amount of Spring Pass Sale Revenue reported on that invoice, and minus (2) the difference between the Prior Year Projected Annual Operation Costs and the Prior Year Actual Operational Costs, if any, reported on that invoice.

By way of example only, if the Agency’s Projected Annual Operational Costs are \$176,000, the Spring Pass Sale Revenue is \$2,000, and the difference between the Prior Year Annual Operational Costs and the Prior Year Actual Operational Costs is \$400, the County’s payment on the July 1 invoice would be \$85,600 (\$88,000 - \$2,000 - \$400).
  - b. *Payment on January 1 Invoice.* The County shall pay the Agency one-half of the Projected Annual Operational Costs reported on the invoice

submitted on the preceding July 1 invoice, minus the amount of Fall Pass Sale Revenue reported on the January 1 Invoice.

By way of example only, if the Agency's Projected Annual Operational Costs are \$176,000 and the Fall Pass Sale Revenue is \$15,000, the County's payment on the January 1 invoice would be \$73,000 (\$88,000 - \$15,000).

- c. *Payment on March 1, 2017 Invoice for the Second School Bus Route in Academic Year 2016-2017 Only.* Notwithstanding anything to the contrary contained herein, the County shall pay the Agency the Second Bus Projected 2016-2017 Operational Costs reported on the March 1, 2017 invoice.

**4. Agency's Obligations.** Section 5.b. of the Agreement ("School Bus Route Minimum Level of Service") is hereby deleted in its entirety and replaced with new Section 5.b. to read:

- b. *School Bus Routes Minimum Level of Service.* The Agency shall be responsible for ensuring that each school bus serving a School Bus Route under this Agreement reserves at least 50% of bus capacity for students living within the Service Area who attend the Designated High School.

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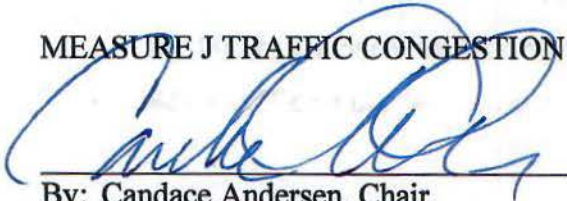
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IN WITNESS WHEREOF, the parties have hereunto set their hands the date and year first above written.

MEASURE J TRAFFIC CONGESTION RELIEF AGENCY



By: Candace Andersen, Chair,  
TRAFFIX Board of Directors

Date: \_\_\_\_\_

APPROVED AS TO FORM:



By: Michael Conneran, Legal Counsel  
Measure J Traffic Congestion Relief Agency

CONTRA COSTA COUNTY

Date: \_\_\_\_\_

By: Julia R. Bueren, Public Works Director

APPROVED AS TO FORM:

Sharon L. Anderson, County Counsel

By: \_\_\_\_\_  
Deputy County Counsel